

Sorghum Promotion and Research Program

The Sorghum Promotion, Research, and Information Program, commonly known as the Sorghum Checkoff Program, was established under the Commodity Promotion, Research, and Information Act of 1996 (Act). The Act authorizes generic promotion, research, and information orders aimed at advancing the demand for agricultural commodities to benefit U.S. producers and consumers. On May 6, 2008, AMS published a final Sorghum Promotion, Research, and Information Order after public notice and comment. The Order became effective on May 7, 2008. The collection of assessments began on July 1, 2008.

MAJOR PROVISIONS

The Program is funded by an assessment of 0.6 percent of the net market value of grain sorghum and 0.35 percent of the net market value of sorghum forage, silage, hay, haylage, and billets. All producers marketing sorghum must pay the assessment. Imports of such products would also be assessed, although imports are very limited at this time. Since the Board will not be established when assessments begin, the Secretary of Agriculture is authorized, under the Act, to collect assessments in the absence of the Board through a collecting agent at a financial institution.

The Program is designed to increase the profitability of U.S. sorghum producers, advance sorghum into the ethanol market, and develop foreign markets for sorghum.

Based on current grain sorghum prices and production, the Department of Agriculture (USDA) anticipates that the program will generate approximately \$18-\$20 million annually.

First purchasers of grain sorghum collect and remit assessments.

ORGANIZATIONAL STRUCTURE

The National Sorghum Promotion, Research, and Information Board (Board) will be comprised of 13 sorghum producers. Membership will include five seats for the largest production State, three seats for the second largest production State, and one seat for the third largest production State. The Board will also consist of four at-large/National positions.

Six State-level Checkoff programs currently exist for sorghum. The Order provides that between 15 and 25 percent of the total assessments collected annually be returned to qualified State programs for promotion and research activities. These qualified State programs will be certified by the Secretary of Agriculture. This has been a useful mechanism in other established programs to build support.

REFERENDUM

The Order provides for a delayed referendum consistent with the provisions of the Act. The Act requires that the referendum be conducted within 3 years after assessments begin which will be July 1, 2011.

REFUNDS

Producers may request a refund up to the date of the announcement of the results of the referendum. In the case that the referendum is unsuccessful, producers would be entitled to request and receive a full refund of or prorata share of assessments paid prior to the announcement of the results of the referendum. If the referendum is approved, producers would not be entitled to receive the requested refund. Procedures for obtaining a refund are included in the Order.

PRODUCTION

According to USDA data, the top five grain sorghum producing States account for 88 percent of total U.S. production. Total U.S. production of grain sorghum in 2007 was 504,993,000 bushels. The top sorghum producing states are Nebraska, Kansas, Texas, Oklahoma, and Missouri.